

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Melanie A. Kenderdine**  
Cabinet Secretary-Designate

**Ben Shelton**  
Deputy Secretary (Acting)

**Gerasimos Razatos**  
Division Director (Acting)  
Oil Conservation Division



**BY CERTIFIED MAIL AND ELECTRONIC MAIL**

Joshua Olguin  
Financial Manager  
POCO Resources LLC  
3307 E Castleberry Road  
Artesia, NM 88210  
[joshua@pocores.com](mailto:joshua@pocores.com)

**NOTICE OF VIOLATION**

The Director of the Oil Conservation Division (“OCD”) issues this Notice of Violation (“NOV”) pursuant to 19.15.5.10 NMAC. A process is available to informally discuss and resolve the NOV. OCD will not request a hearing on the NOV until the end of this process, which runs for 30 days from the date of your receipt of this letter. OCD will extend this process if it would facilitate informal resolution of the NOV. To initiate this process, contact the OCD employee identified at the end of this letter.

*(1) Alleged Violator:* POCO Resources LLC, OGRID #373121 (“Operator”).

*(2) Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

**19.15.25.8 NMAC:**

- A.** *The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.*
- B.** *The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:*
- (1)** *a 60 day period following suspension of drilling operations;*
  - (2)** *a determination that a well is no longer usable for beneficial purposes; or*

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*(3) a period of one year in which a well has been continuously inactive.*

**19.15.5.9(A) NMAC:**

*An operator is in compliance with Subsection A of 19.15.5.9 NMAC if the operator...*

*(4) has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance or final order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:*

- (a) two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;*
- (b) five wells if the operator operates between 101 and 500 wells;*
- (c) seven wells if the operator operates between 501 and 1000 wells; and*
- (d) 10 wells if the operator operates more than 1000 wells.*

Operator is the registered operator of sixty-seven (67) wells. Sixty-six (66) wells are out of compliance with 19.15.25.8 NMAC. *See Exhibit A.* Not included in Exhibit A is one (1) well, API # 30-015-04742, which is in “plugged, not released” status, meaning surface reclamation and remediation may be needed. Nine (9) of the wells in Exhibit A are subject to an agreed compliance or final order.<sup>1</sup>OCD seeks a plugging order against all wells.

**19.15.8.9 NMAC:**

***D. Inactive wells.*** *An operator shall provide financial assurance for wells that are covered by Subsection A of 19.15.8.9 NMAC that have been in temporarily abandoned status for more than two years or for which the operator is seeking approved temporary abandonment pursuant to 19.15.25.13 NMAC in one of the following categories:*

*(1) a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells; or*

*(2) a blanket plugging financial assurance covering all wells of the operator subject to Subsection D of 19.15.8.9 NMAC:*

- (a) \$150,000 for one to five wells;*
- (b) \$300,000 for six to 10 wells;*
- (c) \$500,000 for 11 to 25 wells; and*
- (d) \$1,000,000 for more than 25 wells.*

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<sup>1</sup> These nine (9) wells are subject to final orders in : Case No. 13921, Order No. R-12801; Case No.14137, Order No. R-13003; and Case No. 14164, Order No. R-13006.

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Operator is the registered operator of sixty-seven (67) wells, which require active and/or inactive well financial assurance under 19.15.8.9 NMAC. Operator currently has twenty-two (22) wells that are inactive for greater than two years and lack sufficient financial assurance. *See Exhibit B.* The remaining eighteen (18) will become inactive for greater than two years, requiring additional inactive well financial assurance, unless updated by November 2024. *See Exhibit B.*

**19.15.7.24 NMAC:**

- A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.*
- B. An operator shall file the reports 19.15.7.24 NMAC requires using the division's web-based online application on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would operate as an economic or other hardship.*

Operator is the registered operator of sixty-seven (67) wells. Operator has not submitted the required C-115 for any well since at least November 2022. *See Exhibit C.*

*(3) Compliance:* No later than thirty (30) days after receipt of this NOV, Operator shall (a) submit production reports for the wells identified in Exhibit A; (b) plug and abandon all sixty-six (66) wells listed in Exhibit A; (c) provide inactive well blanket plugging financial assurance of \$1,000,000 or increase the one well financial assurance to the specified amounts in Exhibit B, until such time as all wells are plugged and abandoned; and (d) perform any necessary remediation or reclamation of the one (1) well API # 30-015-04742, in “plugged, not released” status.

*(4) Sanction(s):* OCD may impose one or more of the following sanctions:

- civil penalty
- modification, suspension, cancellation, or termination of a permit or authorization
- plugging and abandonment of a well
- remediation and restoration of a well location and associated facilities, including the removal of surface and subsurface equipment and other materials
- remediation and restoration of a location affected by a spill or release
- forfeiture of financial assurance
- shutting in a well or wells
- any other remedy authorized by law

For the alleged violations described above, OCD proposes the following sanctions:

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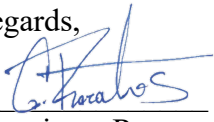
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- (a) Plug and Abandon Wells: OCD will request an order requiring Operator to plug and abandon sixty-six (66) wells listed in Exhibit A, and alternatively, an order authorizing OCD to plug and abandon those wells. OCD seeks an Order against all wells, including the single well, which is in “plugged, not released” status. As the Operator abandoned the well prior to completing some portion of the plugging or surface remediation and reclamation work necessary to release the well and properly plug and abandon.
- (b) Financial Assurance: OCD will request an order requiring Operator to provide an inactive well blanket plugging financial assurance of \$1,000,000 or additional one well financial assurance in the specified amounts in Exhibit B, and alternatively, an order forfeiting financial assurance.
- (c) Termination of Authorization to Transport: OCD will request an order terminating Operator’s authority to transport from all wells.
- (d) Civil Penalties: OCD proposes to assess civil penalties as specified below. The civil penalty calculations are attached. OCD has taken into consideration the alleged violator’s good faith effort to comply with the applicable requirements. Copies of the civil penalty calculations are attached.

Civil Penalty: 19.15.5.9(A)(4)(a) NMAC:	\$ 28,800.00
19.15.8.9 NMAC:	\$ 9,900.00
19.15.7.24 NMAC	\$ 118,800.00

(5) *Hearing*: If this NOV cannot be resolved informally, OCD will hold a hearing on December 5, 2024. Please see 19.15.5.10 NMAC for more information regarding the hearing. Even if OCD schedules a hearing, you can request an informal resolution at any time.

For more information regarding this NOV, contact Christy Treviño at (505)-607-4524 or [Christy.Trevino@emnrd.nm.gov](mailto:Christy.Trevino@emnrd.nm.gov).

Regards,  
  
Gerasimos Razatos  
Acting Director

9/5/2024  
\_\_\_\_\_  
Date

cc: EMNRD OGC

# Inactive Well List

**Total Well Count: 67 Inactive Well Count: 66**  
**Printed On: Wednesday, August 07 2024**

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-10450	ADKINS WILLIAMS STATE #001	O-17-18S-28E	O	373121	POCO Resources LLC	S	S	I	10/2022			
2	30-015-01916	ADKINS WILLIAMS STATE #002	O-17-18S-28E	O	373121	POCO Resources LLC	S	S	O	02/2018			
2	30-015-01920	ADKINS WILLIAMS STATE #002Y	O-17-18S-28E	O	373121	POCO Resources LLC	S	S	O	10/2022			
2	30-015-01906	ADKINS WILLIAMS STATE #006	O-17-18S-28E	O	373121	POCO Resources LLC	S	S	O	10/2022			
2	30-015-31369	CONOCO FEDERAL #001	E-20-25S-30E	E	373121	POCO Resources LLC	F	F	O	10/2022	CORRAL CANYON DELAWARE		
1	30-025-11194	CORTLAND MYERS UNIT #001	K-22-24S-37E	K	373121	POCO Resources LLC	F	P	O	04/2020	7 RVRS QU GB		
1	30-025-11195	CORTLAND MYERS UNIT #002	P-22-24S-37E	P	373121	POCO Resources LLC	F	P	I	10/2022			
1	30-025-11197	CORTLAND MYERS UNIT #003	O-22-24S-37E	O	373121	POCO Resources LLC	F	P	O	02/2020	7 RVRS QU GB		
1	30-025-11198	CORTLAND MYERS UNIT #004	N-22-24S-37E	N	373121	POCO Resources LLC	F	P	O	02/2020	INT TO PA 01/02/06		
1	30-025-11199	CORTLAND MYERS UNIT #005	F-22-24S-37E	F	373121	POCO Resources LLC	F	P	I	10/2022			
1	30-041-20274	FEDERAL 17 #002	K-17-08S-38E	K	373121	POCO Resources LLC	F	S	G	10/2022	RECLASSIFY O TO G/01/09/98		
1	30-041-20272	FEDERAL 17 A #001	J-17-08S-38E	J	373121	POCO Resources LLC	F	S	G	10/2022	RECLASSIFY O TO G/01/14/1998		
1	30-041-20206	FEDERAL 18 #001	O-18-08S-38E	O	373121	POCO Resources LLC	F	S	G	02/2020	SAN ANDRES / RECLASS OIL TO GAS C116		
1	30-041-20224	FEDERAL 18 #002	P-18-08S-38E	P	373121	POCO Resources LLC	F	S	O	05/2019	SAN ANDRES		
1	30-041-20285	FEDERAL 20 #001	B-20-08S-38E	B	373121	POCO Resources LLC	F	S	O	10/2022			
1	30-025-11359	GEORGE L ERWIN #001	M-35-24S-37E	M	373121	POCO Resources LLC	F	P	O	10/2022			
1	30-025-11360	GEORGE L ERWIN #002	L-35-24S-37E	L	373121	POCO Resources LLC	F	P	O	10/2022	05/13/08 CONVERT TO PROD OIL WELL		
1	30-025-11361	GEORGE L ERWIN #003	K-35-24S-37E	K	373121	POCO Resources LLC	F	P	O	10/2022			
1	30-025-38360	GEORGE L ERWIN #004	N-35-24S-37E	N	373121	POCO Resources LLC	F	P	O	10/2022	7R-QU-GB		
2	30-015-37077	GIANT SUPERIOR STATE #001	H-08-25S-30E	H	373121	POCO Resources LLC	S	S	O	10/2022	CORRAL CANYON;DELAWARE		
2	30-015-01894	GILMORE STATE #001	N-17-18S-28E	N	373121	POCO Resources LLC	S	S	O	10/2022			
2	30-015-24489	GILMORE STATE #002	N-17-18S-28E	N	373121	POCO Resources LLC	S	S	O	10/2022			
2	30-015-01904	GRARIDGE STATE #003	L-17-18S-28E	L	373121	POCO Resources LLC	S	S	O	05/2022			
2	30-015-01905	GRARIDGE STATE #004	L-17-18S-28E	L	373121	POCO Resources LLC	S	S	O	05/2022			
1	30-025-11188	JAMISON #001	H-21-24S-37E	H	373121	POCO Resources LLC	P	P	O	10/2022			
1	30-025-11193	JAMISON #002	E-22-24S-37E	E	373121	POCO Resources LLC	P	P	O	10/2022	RWTP 12/08/2011		
1	30-025-11189	JAMISON #003	A-21-24S-37E	A	373121	POCO Resources LLC	P	P	O	10/2022			
1	30-025-11186	KNIGHT #001	I-21-24S-37E	I	373121	POCO Resources LLC	P	P	O	06/2022	LANGLIE MATTIX 7RQGB		
1	30-025-11191	KNIGHT #002	L-22-24S-37E	L	373121	POCO Resources LLC	P	P	O	06/2022	LANGLIE MATTIX 7RQGB		
1	30-025-11187	KNIGHT #003	P-21-24S-37E	P	373121	POCO Resources LLC	P	P	O	06/2022	LANGLIE MATTIX		
1	30-025-11190	KNIGHT #004	M-22-24S-37E	M	373121	POCO Resources LLC	P	P	O	06/2022	LANGLIE MATTIX 7RQGB		
1	30-025-20352	KNIGHT #009	L-22-24S-37E	L	373121	POCO Resources LLC	P	P	I	03/2013	INT TO P&A APP 11-20-01		
1	30-025-20350	KNIGHT #011	M-22-24S-37E	M	373121	POCO Resources LLC	P	P	I	10/2022	INT TO TA APPVD 10-15-01		
1	30-025-27490	KNIGHT #014	P-21-24S-37E	P	373121	POCO Resources LLC	P	P	O	06/2022	LANGLIE MATTIX 7RQGB		
1	30-041-20318	MCGRAIL #001H	H-18-08S-38E	H	373121	POCO Resources LLC	P	P	O	02/2020			

2	30-015-28237	NIX FEDERAL #001	A-28-21S-28E	A	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
2	30-015-28235	NIX FEDERAL #003	E-27-21S-28E	E	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
2	30-015-28492	NIX FEDERAL #004	I-28-21S-28E	I	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
2	30-015-29196	NIX FEDERAL #005	M-27-21S-28E	M	373121	POCO Resources LLC	F	F	S	10/2022	DELAWARE
2	30-015-28934	NIX FEDERAL #007	H-28-21S-28E	H	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
2	30-015-28935	NIX FEDERAL #008	J-28-21S-28E	J	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
2	30-015-29251	NIX FEDERAL #009	P-28-21S-28E	P	373121	POCO Resources LLC	F	F	O	06/2022	DELAWARE
1	30-025-29996	PETRUS AEO STATE #001	B-11-17S-33E	B	373121	POCO Resources LLC	S	S	O	02/2020	
1	30-025-30101	PETRUS AEO STATE #002	G-11-17S-33E	G	373121	POCO Resources LLC	S	S	O	12/2019	
2	30-015-24886	POKER LAKE #065	A-19-25S-30E	A	373121	POCO Resources LLC	F	F	O	10/2022	
2	30-015-04744	POKER LAKE STATE #001	M-08-25S-30E	M	373121	POCO Resources LLC	S	S	S	09/2016	
2	30-015-24700	POKER LAKE UNIT #061	E-17-25S-30E	E	373121	POCO Resources LLC	F	F	O	10/2015	
2	30-015-24988	POKER LAKE UNIT #066	L-17-25S-30E	L	373121	POCO Resources LLC	F	F	O	11/2015	
2	30-015-24724	POKER LAKE UNIT STATE #063	N-08-25S-30E	N	373121	POCO Resources LLC	S	S	O	02/2014	
2	30-015-25318	POKER LAKE UNIT STATE #068	O-08-25S-30E	O	373121	POCO Resources LLC	S	S	O	02/2014	
2	30-015-01901	SIGNAL STATE #002	E-17-18S-28E	E	373121	POCO Resources LLC	S	P	O	02/2020	
2	30-015-24606	SIGNAL STATE #004	E-17-18S-28E	E	373121	POCO Resources LLC	S	P	O	02/2020	
1	30-041-20600	STATE #001	G-32-08S-37E	G	373121	POCO Resources LLC	S	S	O	04/2020	BOUGH C
1	30-041-00188	STATE BPA #001	D-32-08S-37E	D	373121	POCO Resources LLC	S	S	O	08/2019	ALLISON PENN
1	30-041-00189	STATE BPA #002	F-32-08S-37E	F	373121	POCO Resources LLC	S	S	O	02/2020	BOUGH C
2	30-015-04745	SUPERIOR STATE #001	H-08-25S-30E	H	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-10181	SUPERIOR STATE #002	I-08-25S-30E	I	373121	POCO Resources LLC	S	S	O	10/2022	
1	30-041-20830	TENNECO FEDERAL #001	G-29-07S-36E	G	373121	POCO Resources LLC	F	P	O	10/2022	
2	30-015-01909	WELCH STATE #002	K-17-18S-28E	K	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-10525	WELCH STATE #003Y	K-17-18S-28E	K	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-10452	WELCH STATE #004	K-17-18S-28E	K	373121	POCO Resources LLC	S	S	O	08/2015	
2	30-015-01912	WELCH STATE #005	J-17-18S-28E	J	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-01913	WELCH STATE #006	J-17-18S-28E	J	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-10451	WELCH STATE #007	K-17-18S-28E	K	373121	POCO Resources LLC	S	S	O	10/2022	
2	30-015-24491	WELCH STATE #009	J-17-18S-28E	J	373121	POCO Resources LLC	S	S	O	10/2022	GR-SA
2	30-005-62856	WEST HAYSTACK FEDERAL #004	G-30-06S-27E	G	373121	POCO Resources LLC	F	F	G	10/2022	

WHERE Operator:373121, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

## Inactive Well Additional Financial Assurance Report

373121 POCO Resources LLC

Total State & Fee Wells: 40

Printed On: Wednesday, August 07 2024

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Bonding Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
321400	ADKINS WILLIAMS STATE #001	S	O-17-18S-28E	O	30-015-10450	I	10/2022	11/2024	2460	29,920			7,640	
	ADKINS WILLIAMS STATE #002	S	O-17-18S-28E	O	30-015-01916	O	02/2018	03/2020	2178	29,356	Y		0	Y
	ADKINS WILLIAMS STATE #002Y	S	O-17-18S-28E	O	30-015-01920	O	10/2022	11/2024	2450	29,900			7,450	
	ADKINS WILLIAMS STATE #006	S	O-17-18S-28E	O	30-015-01906	O	10/2022	11/2024	2500	30,000			7,500	
321637	GIANT SUPERIOR STATE #001	S	H-08-25S-30E	H	30-015-37077	O	10/2022	11/2024	6000	37,000			0	
321407	GILMORE STATE #001	S	N-17-18S-28E	N	30-015-01894	O	10/2022	11/2024	2438	29,876			0	
	GILMORE STATE #002	S	N-17-18S-28E	N	30-015-24489	O	10/2022	11/2024	2500	30,000			0	
321408	GRARIDGE STATE #003	S	L-17-18S-28E	L	30-015-01904	O	05/2022	06/2024	2158	29,316	Y		0	Y
	GRARIDGE STATE #004	S	L-17-18S-28E	L	30-015-01905	O	05/2022	06/2024	2362	29,724	Y		0	Y
321409	JAMISON #001	P	H-21-24S-37E	H	30-025-11188	O	10/2022	11/2024	3605	32,210			0	
	JAMISON #002	P	E-22-24S-37E	E	30-025-11193	O	10/2022	11/2024	3496	31,992			0	
	JAMISON #003	P	A-21-24S-37E	A	30-025-11189	O	10/2022	11/2024	3869	32,738			0	
321410	KNIGHT #001	P	I-21-24S-37E	I	30-025-11186	O	06/2022	07/2024	3624	32,248	Y		0	Y
	KNIGHT #002	P	L-22-24S-37E	L	30-025-11191	O	06/2022	07/2024	3485	31,970	Y		0	Y
	KNIGHT #003	P	P-21-24S-37E	P	30-025-11187	O	06/2022	07/2024	3646	32,292	Y		0	Y
	KNIGHT #004	P	M-22-24S-37E	M	30-025-11190	O	06/2022	07/2024	3631	32,262	Y		0	Y
	KNIGHT #009	P	L-22-24S-37E	L	30-025-20352	I	03/2013	04/2015	3549	32,098	Y		8,549	Y
	KNIGHT #011	P	M-22-24S-37E	M	30-025-20350	I	10/2022	11/2024	3545	32,090			0	
	KNIGHT #014	P	P-21-24S-37E	P	30-025-27490	O	06/2022	07/2024	3709	32,418	Y		0	Y
321411	MCGRAIL #001H	P	H-18-08S-38E	H	30-041-20318	O	02/2020	03/2022	4778	34,556	Y		0	Y
321413	PETRUS AEO STATE #001	S	B-11-17S-33E	B	30-025-29996	O	02/2020	03/2022	3900	32,800	Y		0	Y
	PETRUS AEO STATE #002	S	G-11-17S-33E	G	30-025-30101	O	12/2019	01/2022	3900	32,800	Y		0	Y
322820	POKER LAKE STATE #001	S	M-08-25S-30E	M	30-015-04744	S	09/2016	10/2018	3692	32,384	Y		8,692	Y
322821	POKER LAKE SUPERIOR #001	S	K-08-25S-30E	K	30-015-04742	O	10/2015	11/2017	3750	32,500	Y		8,750	Y
322823	POKER LAKE UNIT STATE #063	S	N-08-25S-30E	N	30-015-24724	O	02/2014	03/2016	3738	32,476	Y		8,738	Y
	POKER LAKE UNIT STATE #068	S	O-08-25S-30E	O	30-015-25318	O	02/2014	03/2016	3767	32,534	Y		8,767	Y
321414	SIGNAL STATE #002	S	E-17-18S-28E	E	30-015-01901	O	02/2020	03/2022	2165	29,330	Y		0	Y
	SIGNAL STATE #004	S	E-17-18S-28E	E	30-015-24606	O	02/2020	03/2022	2484	29,968	Y		0	Y
321415	STATE #001	S	G-32-08S-37E	G	30-041-20600	O	04/2020	05/2022	9618	44,236	Y		0	Y
321416	STATE BPA #001	S	D-32-08S-37E	D	30-041-00188	O	08/2019	09/2021	9628	44,256	Y		0	Y
	STATE BPA #002	S	F-32-08S-37E	F	30-041-00189	O	02/2020	03/2022	9614	44,228	Y		0	Y
321638	SUPERIOR STATE #001	S	H-08-25S-30E	H	30-015-04745	O	10/2022	11/2024	3808	32,616			0	
	SUPERIOR STATE #002	S	I-08-25S-30E	I	30-015-10181	O	10/2022	11/2024	3763	32,526			0	
321418	WELCH STATE #002	S	K-17-18S-28E	K	30-015-01909	O	10/2022	11/2024	99999	224,998			0	
	WELCH STATE #003Y	S	K-17-18S-28E	K	30-015-10525	O	10/2022	11/2024	2184	29,368			0	
	WELCH STATE #004	S	K-17-18S-28E	K	30-015-10452	O	08/2015	09/2017	2474	29,948	Y		7,474	Y
	WELCH STATE #005	S	J-17-18S-28E	J	30-015-01912	O	10/2022	11/2024	99999	224,998			0	
	WELCH STATE #006	S	J-17-18S-28E	J	30-015-01913	O	10/2022	11/2024	2515	30,030			0	
	WELCH STATE #007	S	K-17-18S-28E	K	30-015-10451	O	10/2022	11/2024	2310	29,620			0	
	WELCH STATE #009	S	J-17-18S-28E	J	30-015-24491	O	10/2022	11/2024	2534	30,068			0	

WHERE Ogrid:373121





OCD Permitting - Wells  
**Total Well List**  
 Wells

Criteria: ogrid=373121, OperatorSearchClause=ogrid  
 Records Returned: 69  
 Printed On: Wednesday, August 07 2024

API	Well	Type	Work Type	Mineral Owner	Surface Owner	Status	Location (ULSTR)	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
30-015-10450	ADKINS WILLIAMS STATE #001	Injection	New	State	State	Reclamation Fund Approved	O-17-18S-28E	O	10/2022	03/11/1964		[373121] POCO Resources LLC
30-015-01916	ADKINS WILLIAMS STATE #002	Oil	New	State	State	Reclamation Fund Approved	O-17-18S-28E	O	2/2018	08/20/1925		[373121] POCO Resources LLC
30-015-01920	ADKINS WILLIAMS STATE #002Y	Oil	New	State	State	Reclamation Fund Approved	O-17-18S-28E	O	10/2022	05/15/1960		[373121] POCO Resources LLC
30-015-01906	ADKINS WILLIAMS STATE #006	Oil	New	State	State	Reclamation Fund Approved	O-17-18S-28E	O	10/2022	06/14/1951		[373121] POCO Resources LLC
30-015-31369	CONOCO FEDERAL #001	Oil	New	Federal	Federal	Active	E-20-25S-30E	E	10/2022	01/13/2001		[373121] POCO Resources LLC
30-025-11194	CORTLAND MYERS UNIT #001	Oil	New	Federal	Private	Active	K-22-24S-37E	K	4/2020	09/20/1940		[373121] POCO Resources LLC
30-025-11195	CORTLAND MYERS UNIT #002	Injection	New	Federal	Private	Active	P-22-24S-37E	P	10/2022	10/25/1939		[373121] POCO Resources LLC
30-025-11197	CORTLAND MYERS UNIT #003	Oil	New	Federal	Private	Active	O-22-24S-37E	O	2/2020	09/06/1972		[373121] POCO Resources LLC
30-025-11198	CORTLAND MYERS UNIT #004	Oil	New	Federal	Private	Reclamation Fund Approved	N-22-24S-37E	N	2/2020	07/07/1982		[373121] POCO Resources LLC
30-025-11199	CORTLAND MYERS UNIT #005	Injection	New	Federal	Private	Active	F-22-24S-37E	F	10/2022	01/25/1957		[373121] POCO Resources LLC
30-041-20274	FEDERAL 17 #002	Gas	New	Federal	State	Active	K-17-08S-38E	K	10/2022	07/06/1970		[373121] POCO Resources LLC
30-041-20272	FEDERAL 17 A #001	Gas	New	Federal	State	Active	J-17-08S-38E	J	10/2022	06/27/1970		[373121] POCO Resources LLC
30-041-20206	FEDERAL 18 #001	Gas	New	Federal	State	Active	O-18-08S-38E	O	2/2020	05/21/1969		[373121] POCO Resources LLC
30-041-20224	FEDERAL 18 #002	Oil	New	Federal	State	Active	P-18-08S-38E	P	5/2019	08/05/1969		[373121] POCO Resources LLC
30-041-20285	FEDERAL 20 #001	Oil	New	Federal	State	Active	B-20-08S-38E	B	10/2022	12/19/1970		[373121] POCO Resources LLC
30-025-11359	GEORGE L ERWIN #001	Oil	New	Federal	Private	Active	M-35-24S-37E	M	10/2022	12/29/1937		[373121] POCO Resources LLC
30-025-11360	GEORGE L ERWIN #002	Oil	New	Federal	Private	Active	L-35-24S-37E	L	10/2022	05/06/1938		[373121] POCO Resources LLC
30-025-11361	GEORGE L ERWIN #003	Oil	New	Federal	Private	Active	K-35-24S-37E	K	10/2022	02/11/1939		[373121] POCO Resources LLC
30-025-38360	GEORGE L ERWIN #004	Oil	New	Federal	Private	Active	N-35-24S-37E	N	10/2022	04/04/2007		[373121] POCO Resources LLC
30-015-37077	GIANT SUPERIOR STATE #001	Oil	New	State	State	Active	H-08-25S-30E	H	10/2022	06/25/2009		[373121] POCO Resources LLC
30-015-01894	GILMORE STATE #001	Oil	New	State	State	Active	N-17-18S-28E	N	10/2022	02/09/1959		[373121] POCO Resources LLC
30-015-24489	GILMORE STATE #002	Oil	New	State	State	Active	N-17-18S-28E	N	10/2022	10/31/1983		[373121] POCO Resources LLC
30-015-01904	GRARIDGE STATE #003	Oil	New	State	State	Reclamation Fund Approved	L-17-18S-28E	L	5/2022	07/01/1950		[373121] POCO Resources LLC
30-015-01905	GRARIDGE STATE #004	Oil	New	State	State	Active	L-17-18S-28E	L	5/2022	10/22/1925		[373121] POCO Resources LLC
30-025-11188	JAMISON #001	Oil	New	Private	Private	Active	H-21-24S-37E	H	10/2022	09/28/1936		[373121] POCO Resources LLC
30-025-11193	JAMISON #002	Oil	New	Private	Private	Active	E-22-24S-37E	E	10/2022	12/19/1936		[373121] POCO Resources LLC
30-025-11189	JAMISON #003	Oil	New	Private	Private	Active	A-21-24S-37E	A	10/2022	06/08/1937		[373121] POCO Resources LLC
30-025-11186	KNIGHT #001	Oil	New	Private	Private	Active	I-21-24S-37E	I	6/2022	06/26/1936		[373121] POCO Resources LLC
30-025-11191	KNIGHT #002	Oil	New	Private	Private	Active	L-22-24S-37E	L	6/2022	10/08/1936		[373121] POCO Resources LLC
30-025-11187	KNIGHT #003	Oil	New	Private	Private	Active	P-21-24S-37E	P	6/2022	11/29/1969		[373121] POCO Resources LLC
30-025-11190	KNIGHT #004	Oil	New	Private	Private	Active	M-22-24S-37E	M	6/2022	11/19/1969		[373121] POCO Resources LLC
30-025-20352	KNIGHT #009	Injection	New	Private	Private	Active	L-22-24S-37E	L	3/2013	11/01/1963		[373121] POCO Resources LLC
30-025-20350	KNIGHT #011	Injection	New	Private	Private	Active	M-22-24S-37E	M	10/2022	12/15/1963		[373121] POCO Resources LLC

30-025-27490	KNIGHT #014	Oil	New	Private	Private	Active	P-21-24S-37E	P	6/2022	07/02/1982	[373121] POCO Resources LLC
30-041-20318	MCGRAIL #001H	Oil	New	Private	Private	Active	H-18-08S-38E	H	2/2020	05/26/1971	[373121] POCO Resources LLC
30-015-28237	NIX FEDERAL #001	Oil	New	Federal	Federal	Active	A-28-21S-28E	A	6/2022	10/21/1996	[373121] POCO Resources LLC
30-015-28235	NIX FEDERAL #003	Oil	New	Federal	Federal	Active	E-27-21S-28E	E	6/2022	01/07/1995	[373121] POCO Resources LLC
30-015-28492	NIX FEDERAL #004	Oil	New	Federal	Federal	Active	I-28-21S-28E	I	6/2022	05/01/1995	[373121] POCO Resources LLC
30-015-29196	NIX FEDERAL #005	Salt Water Disposal	New	Federal	Federal	Active	M-27-21S-28E	M	10/2022	04/30/1997	[373121] POCO Resources LLC
30-015-28934	NIX FEDERAL #007	Oil	New	Federal	Federal	Active	H-28-21S-28E	H	6/2022	10/12/1996	[373121] POCO Resources LLC
30-015-28935	NIX FEDERAL #008	Oil	New	Federal	Federal	Active	J-28-21S-28E	J	6/2022	04/30/1996	[373121] POCO Resources LLC
30-015-29251	NIX FEDERAL #009	Oil	New	Federal	Federal	Active	P-28-21S-28E	P	6/2022	02/24/1997	[373121] POCO Resources LLC
30-025-29996	PETRUS AEO STATE #001	Oil	New	State	State	Active	B-11-17S-33E	B	2/2020		[373121] POCO Resources LLC
30-025-30101	PETRUS AEO STATE #002	Oil	New	State	State	Active	G-11-17S-33E	G	12/2019		[373121] POCO Resources LLC
30-015-24886	POKER LAKE #065	Oil	New	Federal	Federal	Active	A-19-25S-30E	A	10/2022	05/31/1984	[373121] POCO Resources LLC
30-015-04744	POKER LAKE STATE #001	Salt Water Disposal	New	State	State	Active	M-08-25S-30E	M	9/2016	05/13/1960	[373121] POCO Resources LLC
30-015-04742	POKER LAKE SUPERIOR #001	Oil	New	State	State	Plugged, Not Released	K-08-25S-30E	K	10/2015	06/20/1960	[373121] POCO Resources LLC
30-015-24700	POKER LAKE UNIT #061	Oil	New	Federal	Federal	Active	E-17-25S-30E	E	10/2015	12/03/1983	[373121] POCO Resources LLC
30-015-24691	POKER LAKE UNIT #062	Oil	New	Federal	Federal	Plugged, Site Released	H-18-25S-30E	H	10/2015	12/21/1983	08/13/2018 [373121] POCO Resources LLC
30-015-24888	POKER LAKE UNIT #064	Oil	New	Federal	Federal	Plugged, Site Released	C-17-25S-30E	C	10/2015	06/05/1984	08/13/2018 [373121] POCO Resources LLC
30-015-24988	POKER LAKE UNIT #066	Oil	New	Federal	Federal	Active	L-17-25S-30E	L	11/2015	08/31/1984	[373121] POCO Resources LLC
30-015-24724	POKER LAKE UNIT STATE #063	Oil	New	State	State	Active	N-08-25S-30E	N	2/2014	10/04/1984	[373121] POCO Resources LLC
30-015-25318	POKER LAKE UNIT STATE #068	Oil	New	State	State	Active	O-08-25S-30E	O	2/2014	12/09/1985	[373121] POCO Resources LLC
30-015-01901	SIGNAL STATE #002	Oil	New	State	Private	Active	E-17-18S-28E	E	2/2020	08/08/1925	[373121] POCO Resources LLC
30-015-24606	SIGNAL STATE #004	Oil	New	State	Private	Active	E-17-18S-28E	E	2/2020	09/24/1983	[373121] POCO Resources LLC
30-041-20600	STATE #001	Oil	New	State	State	Active	G-32-08S-37E	G	4/2020	05/31/1981	[373121] POCO Resources LLC
30-041-00188	STATE BPA #001	Oil	New	State	State	Active	D-32-08S-37E	D	8/2019	02/16/1961	[373121] POCO Resources LLC
30-041-00189	STATE BPA #002	Oil	New	State	State	Active	F-32-08S-37E	F	2/2020	07/02/1961	[373121] POCO Resources LLC
30-015-04745	SUPERIOR STATE #001	Oil	New	State	State	Reclamation Fund Approved	H-08-25S-30E	H	10/2022	08/25/1962	[373121] POCO Resources LLC
30-015-10181	SUPERIOR STATE #002	Oil	New	State	State	Reclamation Fund Approved	I-08-25S-30E	I	10/2022	02/27/1963	[373121] POCO Resources LLC
30-041-20830	TENNECO FEDERAL #001	Oil	New	Federal	Private	Active	G-29-07S-36E	G	10/2022	06/30/1988	[373121] POCO Resources LLC
30-015-01909	WELCH STATE #002	Oil	New	State	State	Active	K-17-18S-28E	K	10/2022	08/01/1925	[373121] POCO Resources LLC
30-015-10525	WELCH STATE #003Y	Oil	New	State	State	Active	K-17-18S-28E	K	10/2022	04/24/1965	[373121] POCO Resources LLC
30-015-10452	WELCH STATE #004	Oil	New	State	State	Reclamation Fund Approved	K-17-18S-28E	K	8/2015	04/14/1964	[373121] POCO Resources LLC
30-015-01912	WELCH STATE #005	Oil	New	State	State	Active	J-17-18S-28E	J	10/2022	10/01/1925	[373121] POCO Resources LLC
30-015-01913	WELCH STATE #006	Oil	New	State	State	Active	J-17-18S-28E	J	10/2022	12/01/1925	[373121] POCO Resources LLC
30-015-10451	WELCH STATE #007	Oil	Plugback	State	State	Active	K-17-18S-28E	K	10/2022	03/22/1964	[373121] POCO Resources LLC
30-015-24491	WELCH STATE #009	Oil	New	State	State	Active	J-17-18S-28E	J	10/2022	08/02/1983	[373121] POCO Resources LLC
30-005-62856	WEST HAYSTACK FEDERAL #004	Gas	New	Federal	Federal	Active	G-30-06S-27E	G	10/2022	11/19/1991	[373121] POCO Resources LLC







**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**CASE NO. 13921  
ORDER NO. R-12801**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER FOR A COMPLIANCE ORDER AGAINST YESO ENERGY, INC. (1) FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC AS TO SIX WELLS; (2) ASSESSING PENALTIES FOR THE VIOLATIONS; (3) REQUIRING OPERATOR TO BRING THE SIX WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN; AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE, EDDY, LEA AND ROOSEVELT COUNTIES, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on July 12, 2007, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 20<sup>th</sup> day of August 2007, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The New Mexico Oil Conservation Division ("Division") seeks an order requiring Yeso Energy, Inc. to bring each of the following six listed wells into compliance with 19.15.4.201 NMAC within a date certain by either plugging and abandoning the wells in accordance with 19.15.4.202 NMAC, or securing approved temporary abandonment status for the subject wells in accordance with 19.15.4.203, or returning the subject wells to Division approved beneficial use:

	<b>Well Name</b>	<b>API Number</b>	<b>Location</b>
(a)	Connie C State #003	30-015-25587	K-25-19S-28E
(b)	Connie C State #004	30-015-25648	B-25-19S-28E
(c)	Cortland Myers Unit #004	30-025-11198	N-22-24S-37E
(d)	Knight #005	30-025-20356	M-22-24S-37E
(e)	Las Cruces B #001	30-041-00234	I-30-08S-37E
(f)	Tracy 29 Federal #001	30-015-28142	O-29-17S-31E

(3) The Division also seeks an order determining that Yeso Energy, Inc. ("operator") knowingly and willfully violated 19.15.4.201 NMAC as to the subject wells, and if the wells are not brought into compliance with 19.15.4.201 by a date set in the order, the Division should be authorized to plug and abandon the wells and declare forfeiture of the applicable financial assurance.

(4) Further, the Division seeks a penalty of \$6,000 for knowing and willful violations of 19.15.4.201 NMAC, and failure to comply with the agreed compliance order No. ACOI 137.

(5) The Division appeared at the hearing through legal counsel and presented the following testimony.

- (a) Yeso Energy, Inc. is the current operator of the six wells listed in finding paragraph (2);
- (b) The six wells have been inactive for at least a continuous period of one (1) year plus ninety (90) days;
- (c) The subject wells are neither plugged and abandoned in accordance with 19.15.4.202 NMAC, nor placed on approved temporary abandonment status in accordance with 19.15.4.203.

(6) The Division records indicate that Yeso Energy, Inc. posted \$50,000 blanket plugging bond No. BOO1414 for all of its wells, \$5,000 one-well plugging bond No. BOO1616 for the Connie C State #004, and \$5,000 one-well plugging bond No. BOO1615 for the Connie C State #003 all issued by the U.S. Specialty Insurance Company, and \$9,000 Letter of Credit for the Knight Well No. 5 issued by the Frost Bank.

(7) Yeso Energy, Inc. did not appear at the hearing or otherwise contest the findings in this case.

(8) The Division accordingly concludes that Yeso Energy, Inc. is the operator of the six wells listed in Finding Paragraph (2). The Division also finds that Yeso Energy, Inc. knowingly and willfully violated 19.15.4.201 NMAC by its continued failure to bring the subject wells into compliance, and therefore it should be ordered to plug and abandon the wells, and pay a penalty of \$6,000.

**IT IS THEREFORE ORDERED THAT:**

(1) Pursuant to the application of the Division, Yeso Energy, Inc. is hereby ordered to plug and abandon the following listed six wells, or secure approved temporary abandonment status for the wells, or return the subject wells to Division approved beneficial use all within thirty (30) days from the date of issuance of this order.

	<b>Well Name</b>	<b>API Number</b>	<b>Location</b>
(a)	Connie C State #003	30-015-25587	K-25-19S-28E
(b)	Connie C State #004	30-015-25648	B-25-19S-28E
(c)	Cortland Myers Unit #004	30-025-11198	N-22-24S-37E
(d)	Knight #005	30-025-20356	M-22-24S-37E
(e)	Las Cruces B #001	30-041-00234	I-30-08S-37E
(f)	Tracy 29 Federal #001	30-015-28142	O-29-17S-31E

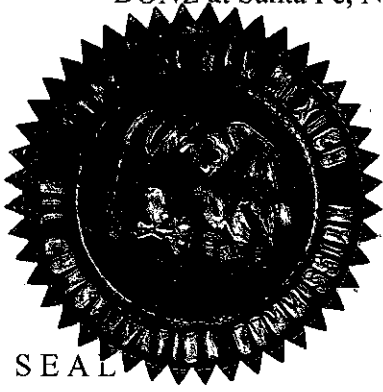
(2) Should Yeso Energy, Inc. fail to comply with the Ordering Paragraph (1) above, the Division shall be authorized to plug and abandon the subject wells, and the applicable financial assurance shall be forfeited.

(3) Yeso Energy, Inc. shall pay a penalty of \$6,000 within thirty (30) days from the date of issuance of this order. Should Yeso Energy fail to pay this penalty within thirty (30) days from the date of issuance of this order, the Division shall initiate additional enforcement actions against Yeso Energy, Inc. including imposition of additional penalties.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.  
Director

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**CASE NO. 14137  
ORDER NO. R-13003**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST CALVIN F. TENNISON PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING CALVIN F. TENNISON TO RETURN TO COMPLIANCE OR PLUG AND ABANDON ALL WELLS IT OPERATES IN NEW MEXICO BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; EDDY COUNTY, NEW MEXICO**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on June 12, 2008 and again on August 21, 2008, at Santa Fe, New Mexico, before Examiner William V. Jones assisted by Carol Leach, David K. Brooks, and Terry G. Warnell.

NOW, on this 8<sup>th</sup> day of October, 2008, the Oil Conservation Division ("Division") Director, having considered the testimony, the record, and the recommendations of the Examiners,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The Division seeks an order:

(a) Finding Calvin F. Tennison ("operator" or "Tennison") in violation of one or more of Division Rules 101, 1115, 201, and 50;

(b) If the operator does not come into compliance with all of these four Division rules within 30 days, requiring the operator to plug and abandon all wells operated by Calvin F. Tennison as of the date of this hearing, by a date certain, and if not plugged;

(i) Authorizing the Division to plug the wells; and

(ii) Authorizing the Division to forfeit applicable financial assurance.

(3) The following nine (9) wells are currently all inactive wells operated by Calvin F. Tennison (OGRID 3604) as a "sole proprietor" and are the subject of this case:

Gulf Federal #3	C-13-26S-29E	30-015-25265
Hanagan State #1	G-8-25S-30E	30-015-04746
Malaga Unit #1	F-7-24S-29E	30-015-03701
Malaga Unit #2	4-7-24S-29E	30-015-03702
Malaga Unit #2	G-7-24S-29E	30-015-03699
Malaga Unit #3	K-7-24S-29E	30-015-03695
R and B Fed #1Y	D-17-25S-30E	30-015-04753
Superior State #1	H-8-25S-30E	30-015-04745
Superior State #2	I-8-25S-30E	30-015-10181

(4) Notice of the June 12, 2008, hearing and of this case was sent to the operator and to the surety on operator's financial assurance bond. The notice to Mr. Tennison came back marked "deceased". No return receipt was received from the surety. No other party entered an appearance for the June 12, 2008 hearing.

(5) This case was heard on June 12, 2008, and continued until August 21, 2008 when Exhibit No. 10 was accepted into evidence. Exhibit 10 provided proof of additional notice to Bill and Patsy Rich and also to Sisters, LLC. Exhibit 10 contains a copy of written correspondence from Sisters, LLC, stating that Mr. Tennison has been deceased since 2001 and that Master Energy Resources, Inc. is the current owner of the subject wells. Documentation of transfer of ownership is included in that correspondence.

(6) Prior to the August 21, 2008, hearing, the Division telephoned personnel with Master Energy Resources, Inc. and provided Master Energy Resources, Inc. notice of this Division hearing and of the pending August 21, 2008, hearing date.

(7) Master Energy Resources (Inc. or LLC) has not appeared on the Public Regulation Commission web site. Neither entity has posted financial assurance bonds or taken over as "operator of record" for the subject wells.

(8) Tennison's Malaga Unit straddles the Pecos River in Township 24 South near Malaga, New Mexico. Division records indicate the nine subject wells are all located southeast of Loving, New Mexico, and were drilled to either the Brushy Draw; Delaware Pool, the Corral Canyon; Delaware Pool, or the Malaga; Delaware Pool. Most wells were drilled in the 1950's and have been marginal oil producers from the Delaware formation. The typical well has surface pipe set to 600 feet and was drilled through 2000 feet of Salado (Salt) formation and into the Delaware formation where production pipe was run and cemented; but only across the bottom of the casing. The wells with the least reported cement were the Malaga Unit Well No. 1 and the two Superior State wells. The

Hanagan State Well No. 1 was plugged once, then re-entered with another attempt at commercial production.

(9) The Division presented evidence showing that:

(a) The subject State or Fee wells are no longer covered with a blanket bond – in violation of Division Rule 101. The previously posted blanket bond has been cancelled, effective December 9, 2001, and the bonding company, Far West Insurance Company, has been placed under receivership. In addition, the Division presented evidence that at least three of these wells have been inactive for more than two years and single well bonds are therefore required but have not been posted;

(b) In violation of Division Rule 1115, the operator has not filed C-115 reports since April of 2007;

(c) The four Malaga Unit wells [shown above] are in violation of the Division Rule 201. These four wells are old production or injection wells which have been continuously inactive for more than one year plus 90 days and have not been placed on approved temporary abandonment status or plugged and abandoned.

(d) The Hanagan State #1 well [shown above] has two unregistered pits on location with hydrocarbon contamination. These pits were observed by Division inspectors in December of 2007 and the last reported work done on this well was in 2002. This is a violation of Division Rule 50.

(10) The Director finds the operator of the subject wells in violation of Division Rules 101, 1115, 201, and 50 as detailed in the application to this case. The nine subject wells have effectively been orphaned with no valid operator or bonding. In addition, the Director finds ALL nine subject wells out of compliance with Rule 201 – the last reported production or injection was in April of 2007.

(11) Each of the nine subject wells should be returned to compliance with Rule 201 by January 1, 2009, or any applicable bond forfeited and each well remaining out of compliance with Rule 201 should be plugged and abandoned and the sites reclaimed in order to prevent vertical migration of fluids in these wellbores and to protect groundwater and the environment.

(12) The operator should return the Hanagan State Well No. 1 wellsite to compliance with Division Rule 50 by a date certain. If not returned to compliance, the Division should be authorized to forfeit any applicable bond from the operator of the Hanagan State Well No. 1 and use the bond monies or reclamation funds to cleanup the open pits near that well site.

**IT IS THEREFORE ORDERED THAT:**

(1) Calvin F. Tennison or current operator is hereby directed to bring the following ("subject") wells into compliance with 19.15.4.201 NMAC on or before January 1, 2009:

Gulf Federal #3	C-13-26S-29E	30-015-25265
Hanagan State #1	G-8-25S-30E	30-015-04746
Malaga Unit #1	F-7-24S-29E	30-015-03701
Malaga Unit #2	4-7-24S-29E	30-015-03702
Malaga Unit #2	G-7-24S-29E	30-015-03699
Malaga Unit #3	K-7-24S-29E	30-015-03695
R and B Fed #1Y	D-17-25S-30E	30-015-04753
Superior State #1	H-8-25S-30E	30-015-04745
Superior State #2	I-8-25S-30E	30-015-10181

(2) In the event the operator fails to bring all subject wells into compliance with Rule 201 as directed above or obtain, prior to January 1, 2009 from the Division Director, approval of a schedule to bring the wells into compliance, then:

(a) the Division shall be authorized to plug and abandon any out-of-compliance subject well and reclaim the well location;

(b) the Division shall be authorized to forfeit any applicable financial assurance for plugging and abandonment, cleanup and reclamation costs; and

(c) the Division shall be authorized to take necessary and appropriate measures to recover from the operator any costs of plugging the well and cleanup of the well site in excess of the amount of any applicable financial assurance.

(3) Calvin F. Tennison or current operator is hereby directed to bring the following well into compliance with 19.15.17 NMAC, on or before January 1, 2009, working under direction of the Division's Santa Fe Environmental Bureau:

Hanagan State #1	G-8-25S-30E	30-015-04746
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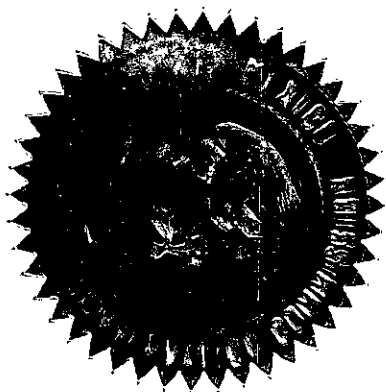
(4) In the event the operator fails to bring the Hanagan State Well No. 1 into compliance with 19.15.17 NMAC as directed above or obtain, prior to January 1, 2009 from the Division Director, approval of a schedule to bring the well into compliance, then the Division shall be authorized to forfeit any applicable bond from the operator of the Hanagan State Well No. 1 and use the bond monies or reclamation funds to cleanup the open pits near that well site.

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 14137  
Order No. R-13003  
Page 5 of 5

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.  
Director

SEAL

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**CASE NO. 14164  
ORDER NO. R-13006**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PARRISH, H. DWAYNE AND RHONDA K., FINDING OPERATOR IN VIOLATION OF RULE 19.15.4.201 NMAC AS TO ELEVEN WELLS; RULE 19.15.9.703 NMAC AS TO TWO WELLS; REQUIRING OPERATOR TO COME INTO COMPLIANCE BY A DATE CERTAIN; AND AUTHORIZING THE DIVISION TO PLUG THE THIRTEEN WELLS PURSUANT TO NMSA, 1978, SECTION 70-2-12(B) AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IF OPERATOR FAILS TO COMPLY; EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on September 18, 2008, at Santa Fe, New Mexico, before Examiners Richard I. Ezeanyim, Terry G. Warnell, and David K. Brooks.

NOW, on this 9<sup>th</sup> day of October 2008, the Division Director, having considered the testimony, the record, and the recommendations of the Examiners,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The New Mexico Oil Conservation Division (“Division”) seeks an order requiring Dwayne and Rhonda Parrish (“operator”) to comply with Division Rules 19.15.4.201 NMAC and 19.15.9.703 NMAC by a date certain, either by temporarily plugging and abandoning the wells, permanently plugging and abandoning the wells, or returning the wells to Division approved beneficial use, for each of the following thirteen (13) listed wells.

<b>Well Name</b>	<b>API Number</b>	<b>Location</b>
• Adkins Williams State No. 001;	30-015-10450;	O-17-18S-28E

● Adkins Williams State No. 002;	30-015-01916;	O-17-18S-28E
● Adkins Williams State No. 002Y;	30-015-01920;	O-17-18S-28E
● Adkins Williams State No. 005;	30-015-01919;	O-17-18S-28E
● Adkins Williams State No. 006;	30-015-01906;	O-17-18S-28E
● Atlantic State No. 003;	30-015-01387;	O-16-17S-28E
● Graridge State No. 003;	30-015-01904;	L-17-18S-28E
● Schoonmaker St No. 004;	30-015-26019;	L-12-19S-29E
● State T No. 001;	30-015-03581;	E-12-19S-29E
● State T No. 002;	30-015-26378;	E-12-19S-29E
● Sunray Mid Continent No. 001;	30-015-01350;	A-11-17S-28E <sup>Ex</sup>
● Sunray Mid Continent No. 002;	30-015-01351;	I-11-17S-28E
● Welch State No. 004;	30-015-10452;	K-17-18S-28E

(3) Of the thirteen subject wells above, Adkins Williams State No. 001 and Adkins Williams State No. 006 are injection wells.

(4) The Division records indicate that the operator has posted a \$50,000 blanket plugging bond secured by an assignment of cash collateral on deposit with the Western Bank of Artesia, New Mexico.

(5) Of the subject wells above, the operator has also posted individual bonds issued by Lexon Insurance Company of Louisville, Kentucky for the following wells:

Well Name	Bond
● Adkins Williams State No. 002	\$7,178.00
● Adkins Williams State No. 005	\$8,190.00
● Atlantic State No. 003	\$6,966.00
● Graridge State No. 003	\$7,136.00
● Schoonmaker St No. 004	\$7,624.00
● State T No. 001	\$9,064.00
● State T No. 002	\$7,620.00
● Sunray Mid Continent No. 001	\$7,624.00
● Sunray Mid Continent No. 002	\$6,650.00
● Welch State No. 004	\$7,474.00

(6) The Division also seeks an order requiring the operator to plug and abandon the subject wells. Should the operator fail to bring its inactive wells into compliance with Rules 19.15.4.201 NMAC, and 19.15.9.703 NMAC by a date set in the order, the Division should be authorized to plug the wells and declare forfeiture of applicable financial assurance.

(7) The Division appeared at the hearing through legal counsel and presented the following testimony.



(a) Dwayne H. and Rhonda K. Parrish are the current operators of the thirteen (13) wells listed in finding paragraph (2), and were the operators during the time period relevant to these proceedings;

(b) The subject wells have been inactive for a continuous period of one (1) year plus ninety (90) days.

(c) The wells have not been placed in Division-approved temporary abandonment status, permanently plugged and abandoned, or returned to the Division-approved beneficial use.

(d) The two injection wells, namely Adkins Williams State Well No. 001 and No. 006, failed a mechanical integrity test (MIT) in July of 2006. Despite repeated efforts by the Division to get the operator to repair and retest the wells, the operator failed to comply and continued to inject into these wells.

(8) The operator appeared at the hearing and presented the following testimony.

(i) Dwayne H. and Rhonda K. Parrish agreed that they are the current operators of the subject wells, and that they acquired the wells through family inheritance.

(ii) The daily average oil production from all the wells owned by the operator is approximately 28 barrels of oil per day.

(iii) In 2003 when the enforcement issues arose, the oil price was too low and the operator could not raise enough money to comply with the Division rules.

(iv) The operator is now willing to address the compliance issues because of the current high oil prices. As a result, the operator has obtained approval from the Division to plug and abandon six (6) of the subject wells a week before the hearing

(v) Operator denied that it had been injecting into the two injection wells since July of 2006. The injection volumes reported on the Division form C-115 was a result of poor communication between Mr. H. Dwayne Parrish and his wife, Rhonda K. Parrish.

(9) The Division concludes that H. Dwayne and Rhonda K. Parrish are the operators of the thirteen (13) wells listed in Finding Paragraph (2). The Division also finds that the operator violated 19.15.4.201NMAC and 19.15.9.703 NMAC by not temporarily abandoning the wells, permanently plugging and abandoning the wells, or returning the wells to Division-approved beneficial use, and by not assuring mechanical integrity on the two injection wells.

(10) The operator should be ordered to temporarily abandon the subject wells, permanently plug and abandon the wells, or return the wells to Division-approved beneficial use, and assure mechanical integrity on the two injection wells by a date certain. Should the operator fail to comply with Rule 19.15.4.201 NMAC, and 19.15.9.703 NMAC by a date set

in the order, then the Division should be authorized to plug and abandon the subject wells and declare forfeiture of any applicable financial assurance.

**IT IS THEREFORE ORDERED THAT:**

(1) Pursuant to the application of the Division, H. Dwayne and Rhonda K. Parrish, ("operator") are hereby ordered to comply with Division Rules 19.15.4.201 NMAC and 19.15.9.703 by March 31, 2009, either by placing the wells in Division-approved temporary abandonment status, permanently plugging the wellbores, or returning the wells to Division-approved beneficial use, for each of the following thirteen (13) listed wells.

<b>Well Name</b>	<b>API Number</b>	<b>Location</b>
● Adkins Williams State No. 001;	30-015-10450;	O-17-18S-28E
● Adkins Williams State No. 002;	30-015-01916;	O-17-18S-28E
● Adkins Williams State No. 002Y;	30-015-01920;	O-17-18S-28E
● Adkins Williams State No. 005;	30-015-01919;	O-17-18S-28E
● Adkins Williams State No. 006;	30-015-01906;	O-17-18S-28E
● Atlantic State No. 003;	30-015-01387;	O-16-17S-28E
● Graridge State No. 003;	30-015-01904;	L-17-18S-28E
● Schoonmaker St No. 004;	30-015-26019;	L-12-19S-29E
● State T No. 001;	30-015-03581;	E-12-19S-29E
● State T No. 002;	30-015-26378;	E-12-19S-29E
● Sunray Mid Continent No. 001;	30-015-01350;	A-11-17S-28E
● Sunray Mid Continent No. 002;	30-015-01351;	I-11-17S-28E
● Welch State No. 004;	30-015-10452;	K-17-18S-28E

(2) Should the operator fail to comply with Rule 19.15.4.201 NMAC by March 31, 2009, then the Division is hereby authorized to plug and abandon the subject wells and declare forfeiture of any applicable financial assurance.

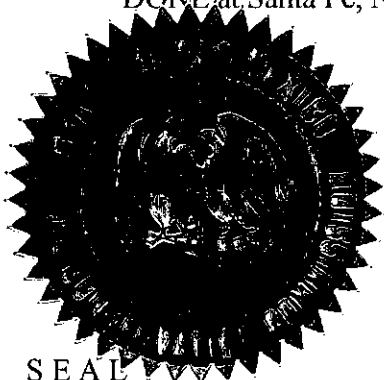
(3) The Adkins Williams State Well No. 001 shall be repaired and retested to assure mechanical integrity before returning the well to injection operations. The Adkins Williams State Well No. 006, the second injection well, shall be worked-over and returned to production. If the two injection wells cannot be repaired, or worked-over and returned to production, then they shall also be permanently plugged and abandoned. These operations shall be completed on or before the deadline of March 31, 2009.

(4) For any well that the operator permanently plugs, the operator shall also comply with the requirements of Rule 202.B(3) and (4) regarding site remediation within the time provided by these rules. Should the operator fail to remediate the sites to the Division's satisfaction within the time provided in Rule 202.B(3), the Division is hereby authorized to complete the site restoration and declare forfeiture of any applicable financial assurance.

(5) The operator shall file corrected form C-115 for the two injection wells no later than December 31, 2008.

(6) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.  
Director